



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-123]

Certain Corrosion Inhibitors from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review and Rescission of Review, in Part; 2020-2021

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain corrosion inhibitors (corrosion inhibitors) from the People's Republic of China (China). The period of review is July 13, 2020, through December 31, 2021. In addition, we are rescinding the review with respect to 27 companies. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Brontee George or Theodore Pearson, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4656 or (202) 482-2631, respectively.

SUPPLEMENTARY INFORMATION:

Background

On March 19, 2021, Commerce published in the *Federal Register* the countervailing duty (CVD) order on certain corrosion inhibitors from China.¹ On May 13, 2022, Commerce published the notice of initiation of an administrative review of the *Order* for the period July 13, 2020, through December 31, 2021.² On July 19, 2022, Commerce selected Anhui Trust Chem

¹ See *Certain Corrosion Inhibitors from the People's Republic of China: Antidumping Duty and Countervailing Duty Orders*, 86 FR 14869 (March 19, 2021) (*Order*).

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 29280 (May 13, 2022).

Co., Ltd. and Nantong Botao Chemical Co., Ltd. as mandatory respondents in this administrative review.³ On October 24, 2022, Commerce exercised its discretion to extend the preliminary results of this administrative review by 120 days, until March 31, 2023.⁴

For a complete description of the events that followed the initiation of this administrative review, *see* the Preliminary Decision Memorandum.⁵ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Order

The product covered by the *Order* are corrosion inhibitors from China. For a complete description of the scope, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, Commerce preliminarily finds that there is a subsidy (*i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific).⁶

³ See Memorandum, "Respondent Selection," dated July 19, 2022.

⁴ See Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2020 – 2021," dated October 24, 2022.

⁵ See Memorandum, "Decision Memorandum for the Preliminary Results of Countervailing Duty Administrative Review and Rescission in Part; 2020 – 2021: Certain Corrosion Inhibitors from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁶ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

In making these findings, Commerce relied, in part, on facts available and, because it finds that one or more respondents, including the Government of China, did not act to the best of their ability to respond to Commerce's requests for information, it drew an adverse inference where appropriate in selecting from among the facts otherwise available.⁷ For further information, *see* "Use of Facts Otherwise Available and Adverse Inferences" in the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. Commerce received a timely-filed withdrawal of review request from Wincom Incorporated (the petitioner) with respect to 29 companies, pursuant to 19 CFR 351.213(d)(1). However, two of the companies for which the petitioner withdrew its review request are subject to review requests that were not withdrawn. For the other 27 companies, because the withdrawal request was timely filed, and no other parties requested a review of these companies, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this administrative review with respect to these 27 companies. For a list of companies, *see* Appendix II.

Preliminary Results of Review

Commerce preliminarily determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy Rate – 2020 (percent <i>ad valorem</i>)	Subsidy Rate – 2021 (percent <i>ad valorem</i>)
Anhui Trust Chem Co., Ltd. ⁸	140.61	51.17
Nantong Botao Chemical Co., Ltd. ⁹	52.12	10.77

⁷ See sections 776(a) and (b) of the Act.

⁸ As discussed in the Preliminary Decision Memorandum, Commerce preliminarily finds the following companies to be cross-owned with ATC: Nanjing Trust Chem Co., Ltd. and Jiangsu Trust Chem Co., Ltd.

⁹ As discussed in the Preliminary Decision Memorandum, Commerce preliminarily finds the following companies to be cross-owned with Botao: Rugao Connect Chemical Co., Ltd.; Rugao Jinling Chemical Co., Ltd.; and Nantong Yutu Group Co., Ltd.

Review-Specific Average Rate Applicable to the Following Companies ¹⁰		
Gold Chemical Limited	83.41	33.89
Jiangyin Delian Chemical Co., Ltd.	83.41	33.89
Nantong Kanghua Chemical Co., Ltd.	83.41	33.89

Preliminary Rate for Non-Selected Companies Under Review

There are three companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent. The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides the basis for calculating the all-others rate in an investigation.

Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and/or producers individually examined, excluding any rates that are zero, *de minimis*, or based entirely on facts available. In this review, the preliminary rates calculated for Anhui Trust Chem Co., Ltd. (ATC) and Nantong Botao Chemical Co., Ltd. (Botao) were above *de minimis* and not based entirely on facts available. Therefore, we are applying to the non-selected companies the average of the net subsidy rates calculated for ATC and Botao, which we calculated using the publicly-ranged sales data submitted by ATC and Botao.¹¹ This

¹⁰ This rate is based on the rate for the respondent that was selected for individual review, excluding rates that are zero, *de minimis*, or based entirely on facts available. See section 735(c)(5)(A) of the Act.

¹¹ With two respondents under examination, Commerce normally calculates: (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company's publicly-ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. See, e.g., *Ball Bearings and Parts Thereof from France*,

methodology to establish the rate for the non-selected companies uses section 705(c)(5)(A) of the Act, which governs the calculation of the “all-others” rate in an investigation, as guidance. For further information on the calculation of the non-selected respondent rate, refer to the section in the Preliminary Decision Memorandum entitled “Non-Selected Companies Under Review.”

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts indicated above for 2021 for each of the respondents listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. If the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required on shipments of the subject merchandise entered or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producers/exporters shown above. Consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely

Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part, 75 FR 53661, 53663 (September 1, 2010).

summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

For the companies for which this review is rescinded with these preliminary results, we will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period July 13, 2020, through December 31, 2021, in accordance with 19 CFR 351.212(c)(1)(i).

Disclosure and Public Comment

We will disclose to parties in this review, the calculations performed for these preliminary results within five days after the date of publication of this notice.¹² Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review.¹³ Rebuttals to case briefs may be filed no later than seven days after the case briefs are filed, and all rebuttal comments must be limited to comments raised in the case briefs.¹⁴ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information until further notice.¹⁵ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically

¹² See 19 CFR 351.224(b).

¹³ See 19 CFR 351.309(c)(1)(ii).

¹⁴ See 19 CFR 351.309(d).

¹⁵ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 29615 (May 18, 2020); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

using ACCESS. An electronically-filed request must be received successfully, and in its entirety, by ACCESS by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice. Hearing requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, parties will be notified of the date and time for the hearing to be determined.

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Notification to Interested Parties

These preliminary results and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213 and 351.221(b)(4).

Dated: March 30, 2023.

Abdelali Elouaradia,
*Deputy Assistant Secretary
for Enforcement and Compliance.*

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Non-Selected Companies Under Review
- V. Partial Rescission of Administrative Review
- VI. Diversification of China's Economy
- VII. Use of Facts Otherwise Available and Application of Adverse Inferences
- VIII. Subsidies Valuation
- IX. Interest Rate, Discount Rate, Input, Electricity, and Land Benchmarks
- X. Analysis of Programs
- XI. Recommendation

Appendix II

Companies Rescinded from Review

1. Dandee Hong Kong Holdings Ltd
2. Alvarez Schaer S.A.
3. Bollore Logistics Le Havre
4. CAC Shanghai Chemical Co., Ltd.
5. Dalsem Greenhouse Technology B.V.
6. Gooyer International Co., Ltd. (Hk)
7. Haruno Sangyo Kaisha Ltd.
8. Jiangsu Bohan Industry Trade Co., Ltd.
9. Jiangsu Yangnong Chemical Group Co., Ltd.
10. Jiangyin Gold Fuda Chemical Co., Ltd.
11. Johoku Chemical Co., Ltd.
12. K. Uttamlal Exports Private Limited
13. Nanjing Hengrun Hogsu Import & Export Company
14. Nanjing Innochem Co., Ltd.
15. Nanjing Singchem Co., Ltd.
16. Nantong Bestime Chemical Co., Ltd.
17. Sagar Speciality Chemicals Pvt., Ltd.
18. Sinochem Pharmaceutical Co., Ltd.
19. Solenis Especialidades Quimicas Ltda
20. Techwell Technology Holding Limited
21. Tianjin Jinbin International Trade
22. Vcare Medicines
23. Wuxi Base International Trade Co., Ltd.
24. Wuxi Connect Chemicals Co., Ltd.
25. Xingji Xi Chen Re Neng Co., Ltd.
26. Yasho Industries Pvt. Ltd.
27. Zaozhuang Kerui Chemicals Co., Ltd.